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RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on the 25th March, 1955:—

BILL No. II OF 1955

A Bill further to amend the Insurance Act, 1938.

BE it enacted by Parliament in the Sixth Year of the Republic of India as follows:—

1. This Act may be called the Insurance (Amendment) Act, 1955. Short title
2. In section 44 of the Insurance Act, 1938, to sub-section (2), the following proviso shall be added, namely:—

Amendment
of section
44, Act IV
of 1938.

“Provided always that the insurance agent may, during his life time, nominate in writing the person or persons to whom such commission shall be paid after his death and no such nomination shall be complete and effectual unless notice of the nomination has been delivered to the insurer and acknowledged by the latter and the insurer shall not be liable for any payment made *bona fide* by him to such nominee or nominees.”.

STATEMENT OF OBJECTS AND REASONS

When the Insurance Act of 1938 was amended in 1950, Parliament accepted the principle that the renewal commission earned by an agent should not be forfeited after his death but shall continue to be paid to his successors. According to the language of the said Act, no insurer can pay the renewal commission of a deceased agent without a succession certificate. As, however, the renewal commission

varies from year to year, its capital value cannot be assessed and a succession certificate obtained. This frustrates the purpose of the law. The Bill seeks to remove this lacuna by amending section 44(2) of the Act so that the interests of both the insurers and the agents may be protected and the intention of Parliament given effect to.

B. C. GHOSE.

S. N. MUKERJEE,
Secretary.